



# Federal Register Notice

## Summary for 85 FR 4861

- Publication Date: January 27, 2020
- Effective Date: February 3, 2020

### Deadlines Established:

- Action Plan (June 3, 2020)
- Certifications (April 3, 2020)
- Implementation Plan & Capacity Assessment (April 3, 2020)
- All funds expended (February 2, 2026)

This notice imposes the requirements of the Prior Notices (February 9, 2018 at 83 FR 5844, August 14, 2018 at 83 FR 40314, February 19, 2019 at 84 FR 4836, and June 20, 2019 at 84 FR 28848), as amended by provisions in this notice, on the grants announced in this notice.

## Main Takeaways

- Grantee is required to primarily consider and address its unmet housing recovery needs. If grantee can demonstrate through its need assessment that there is no remaining unmet housing need, grantees may propose the use of funds for unmet economic revitalization and infrastructure needs unrelated to the grantee's unmet housing needs.
- A grantee may use up to 5 percent of the total grant award for grant administration and no more than 15 percent of the total grant award for planning activities.
- HUD is encouraging wildfire-impacted grantees in particular to consider landuse plans that address density and quantity of development, as well as emergency access, landscaping, and water supply considerations. Grantees may use CDBG– DR funds for planning activities, including, but not limited to, developing a Community Wildfire Protection Plan (CWPP).

### Certifications

Documentation to certify financial controls, procurement processes, and adequate procedures for grant management are due to HUD by April 3, 2020. The State of California may request that HUD rely on certifications submitted for the 2017 allocation for purposes of this allocation. The State will need to provide updates to reflect any material changes in the submissions.



The State must also submit documentation for the implementation plan and capacity assessment by April 3, 2020. Additionally, HUD is requiring each grantee to submit (or update and resubmit, as applicable) all policies and procedures pertaining to its duplication of benefits procedures. **(IV.B.1.)**

### Procurement

Grantees must comply with procurement requirements for states or for local governments, as applicable, in the Prior Notices (as amended). **(IV.B.2.)**

### Use of administrative funds across multiple grants

Grantees may use eligible administrative funds (up to 5 percent of each grant award plus up to 5 percent of program income generated by the grant) appropriated by these acts for the cost of administering any of these grants without regard to the particular disaster appropriation from which such funds originated. The grantee must ensure that it has appropriate financial controls, review and modify its financial management policies and procedures regarding the tracking and accounting of administration costs, as necessary, and address the adoption of this treatment of administrative costs in the applicable portions of its Financial Management and Grant Compliance. **(IV.B.3.)**

### One-for-One Replacement Housing, Relocation, and Real Property Acquisition Requirements

To avoid the administrative burden of implementing two different Uniform Relocation Assistance and Real Property Acquisition Act (URA) waivers and alternative requirements, HUD is authorizing grantees with CDBG-DR grants subject to the previous requirements to carry out its programs under the same (URA) requirements. **(IV.B.5.)**

### Duplication of Benefits

The amendments in the Implementation Notice provide that the 2019 DOB Notice supersede the 2011 DOB Notice for any new programs or activities submitted in an action plan or action plan amendment on or after June 25, 2019. **(IV.B.6.)**

### Consistency with the Consolidated Plan

The waiver and alternative requirement in section VI.A.6. of the February 9, 2018 notice is replaced with the following language to include 2018 and 2019 disaster grantees: "HUD is temporarily waiving the requirement for consistency with the consolidated plan." **(IV.B.7.)**

### Clarification on Affordability Periods and Amended Alternative Requirement

The Federal Register notice published on August 14, 2018 (83 FR 40320) imposed a 5-year affordability period on all newly constructed single-family housing units constructed with CDBG-DR funds. HUD intended to impose the affordability period only on single-family units constructed and sold by the grantee or its subrecipient through an affordable homeownership program. **(IV.C.1.)**

### Clarification and Amendment on Section 414 of the Stafford Act

To avoid the administrative burden of implementing two different URA alternative requirements, HUD is authorizing grantees to follow the waiver and alternative requirement described the 2017 allocation requirements. To ensure compliance, grantees must identify this approach in its policies and procedures related to that particular activity, and consistently apply that option for all displaced persons affected by that activity. **(IV.C.2.)**



### Clarification on Procurement and Use of Subrecipients for State grantees only

To eliminate any confusion regarding procurement requirements that are applicable to the State's subrecipients, HUD is clarifying that 24 CFR 570.502, 570.503, and 570.500(c) apply to states carrying out activities directly **(IV.C.3.)**

### Clarification on Acquisition of real property, flood, and other buyouts to include Wildfire-Impacted Grantees

The February 9, 2018 FRN describes how grantees may carry out property acquisitions for a variety of purposes and that they may carry out a buyout program in a Disaster Risk Reduction Area. HUD is clarifying this provision so that grantees understand that wildland fire risk areas may also be identified by the grantee as Disaster Risk Reduction areas. **(IV.C.4.)**

**Appendix A**—Detailed Methodology Allocation of CDBG–DR Funds to Most Impacted and Distressed Areas Due to 2018 and 2019 Federally Declared Disasters